# Appendix A Exhibit: Minnesota River Valley Protection Proposal

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## Minnesota River Valley Protection Proposal

### I. Purpose and Need for Action

The poor water quality of the Minnesota River has received a great deal of attention in recent years from conservation agencies, non-profit groups and the media. Runoff from agricultural operations in the watershed and stormwater events from adjacent developments contribute significant amounts of sediments and chemicals into the river. However, commercial and residential development continues to be the most imminent threat to wildlife habitats in the valley.

The Twin Cities of Minneapolis and St. Paul anchor a growing metropolitan area that is home to 2.2 million people. The counties surrounding the Twin Cities metro area are experiencing some of the fastest rates of suburban sprawl in the nation. Developments continue to march up the Minnesota Valley at a steady rate. Although housing and industrial developments are somewhat restricted by frequent flooding adjacent to the river, sensitive river bluff habitats continue to be lost.

#### **Background**

In 1991, the Service proposed a 6,445-acre addition to Minnesota Valley NWR. The primary purpose of the expansion proposal was to provide a contiguous corridor of habitat from Fort Snelling upstream to LeSueur, Minnesota, a distance of 60 river miles. During public meetings concerning this proposal, the Service received recommendations to evaluate the feasibility of including important habitats further upstream along the Minnesota River, possibly as far as New Ulm, Minnesota. At the same time, an interagency planning team commissioned by the Governor of Minnesota began work on the broader task of making recommendations for protection of habitat and improving water quality throughout the entire Minnesota River watershed. Beginning in October, 1994, the Service decided to suspend further work on a Refuge expansion assessment pending the outcome of this study and further development of public support for restoration and protection of existing habitats of the Minnesota River.

#### **Minnesota River Study Recommendations**

Concurrent with the Service's initiative to expand the Refuge in the early 1990's, a citizens advisory group was convened by the Minnesota Pollution Control Agency to develop recommendations for the restoration of the Minnesota River. In December 1994, their final product, known as *Working Together: A Plan to Restore the Minnesota River*, was released to the public. Along with other recommendations, this plan identified the need to restore and protect up to 200,000 acres of Minnesota River floodplain habitat between Fort Snelling and Big Stone National Wildlife Refuge. The plan also identified the need to restore riparian and wetland habitat in the watershed of the Minnesota River and its associated tributaries.

In 1998, the Refuge began the process of preparing a Comprehensive Conservation Plan. Public comment obtained during initial open houses and focus group meetings again confirmed a high level of interest in refuge expansion. The CCP planning team decided to explore a larger role for the Refuge in the Minnesota River Valley.

The decision to move forward with this proposal also coincides with a unique opportunity brought about by unfortunate circumstance. In 2000, the Service reached a compensation agreement with the Metropolitan Airport Commission (MAC) for damages to the Refuge resulting from the future construction of a north-south runway at the nearby Minneapolis/St. Paul International Airport. When the new runway is completed, it is expected that planes will be directed over the Refuge about once every other minute. The noise level will significantly detract from the value of the existing facilities for environmental education, recreation and overall public enjoyment. In the terms of the agreement, approximately \$26 million in mitigation funds was obtained from the MAC for losses to existing Refuge lands and programs as the result of the airport expansion. A portion of these funds will be used for land acquisition but only for lands outside the Refuge's original acquisition boundary.

The Minnesota Valley National Wildlife Refuge Trust was established in September 2000 to administer the mitigation fund. The Board of Trustees includes a representative of the following organizations: Friends of the Minnesota Valley, Minnesota Department of Natural Resources, National Audubon Society, Minnesota Waterfowl Association, and the Minnesota River Basin Joint Powers Board.

#### **Establishing Authority**

Lands acquired by the Service for the Refuge and Wetland District would be purchased under the authority of the Minnesota Valley National Wildlife Refuge Act *(P.L. 94-466, as amended)*, the Migratory Bird Conservation Act and the Emergency Wetland Resources Act of 1986.

# II. Description of the Alternatives

Alternatives C and D include a proposal to contribute toward the protection of the natural values and function of the Minnesota River Valley upstream from the existing Refuge boundary. Table 1 summarizes land protection recommendations under each alternative.

Land Protection Options: The 220,000-acre study area includes several thousand individual ownerships and the exterior boundary encompasses many town and cities. We envision using a variety of land protection tools throughout the valley to meet site-specific objectives. Fee title acquisition from willing sellers would be the preferred option for the more sensitive habitats adjacent to the river. However, existing conservation measures by the State of Minnesota and non-profit groups would be instrumental in meeting the larger scale restoration goals. For instance, a portion of the agricultural lands within the floodplain are temporarily enrolled in the Conservation Reserve Program. Many landowners would be interested in securing permanent easements through the State's Reinvest in Minnesota program or the Conservation Reserve Enhancement Program (CREP). However, funding remains limited for all programs and CREP will

Table 1: Summary of Land Protection by Management Alternative on the Minnesota Valley National Wildlife Refuge and Wetland District.

	Alternative A Public Use Emphasis	Alternative B Current Situation (No Action)	Alternative C Balanced Public Use and Habitat Management (Preferred Alternative)	Alternative D Habitat Management Emphasis
Existing Refuge and Beyond	No or limited acquisition. Only manage lands within existing Refuge boundary.	Acquire and manage lands only within existing Refuge boundary (14,000 acres total).	Acquire and/or protect an additional 36,000 acres (50,0000-acre Refuge boundary maximum).	Acquire and/or protect 50,000-100,000 acres. Maximum acreage is based on 1994 Citizens' Advisory Committee recomendations.
Wetland Management District	No new WPA acquisitions.	Acquire an average of 500-1,000 acres per year in fee and easements.	Acquire up to 10,000 acres or 750 acres per year.	Acquire 25,000 acres in total.

expire in September 2002. Landowners retain the access rights, and the responsibility to pay property taxes, on lands encumbered by these conservation easements. Some landowners may be interested in selling all rights and responsibilities on some parcels. The Service could purchase the remainder of land rights from willing sellers on some of these lands and provide for public access and more flexibility in habitat restoration.

In addition, for landowners not interested in selling land or rights, technical assistance for sensitive habitat management is available through the Minnesota Valley Heritage Registry sponsored by the group Friends of the Minnesota Valley. Landowners make a verbal commitment to "protect and preserve the land to the best of their abilities, notify the Friends of any potential threats to the area, and notify the Friends of the intent to sell the property. In return, landowners are provided with educational information on stewardship techniques, incentives (books and plaques) and public recognition of their efforts.

#### III. Affected Environment

The study area is the lower one-half of the Minnesota River Valley and encompasses a portion of seven counties including Blue Earth, Brown, Carver, Dakota, Hennepin, Le Sueur and Nicollet. The study area contains portions of four of 13 watersheds flowing into the Minnesota River. This a relatively flat section of the river and drops approximately 90 feet in elevation from Mankato to its confluence with the Mississippi River in St. Paul. Although the Minnesota is generally not used for navigational purposes, the lower fifteen miles from Savage downstream to the mouth have been dredged to provide a nine-foot-deep channel for commercial barge navigation. The Rush River and High Island Creek, two moderate tributaries, empty into the lower Minnesota River watershed in addition to several smaller first and second order streams.

The University of Minnesota's Department of Soil, Water and Climate delineates the western half of the lower Minnesota watershed as fairly flat with surface deposits composed mainly of wetter clays and silts. Landscapes here are primarily flat (0-2 perecent slopes), extensively ditched and poorly drained or tile drained. A geomorophological shift occurs in the eastern half of the watershed as landscapes are composed mainly of morainal complexes. The western half of this section of the watershed is classified as being composed of Less Steep Moraine. Agricultural lands within this area are dominated by moderately steep (2-12 percent) well drained soils, although one fourth of the land is flat sloped (0-2 percent) and tile drained. Fifty percent of the cropped lands have a high potential for water erosion. The eastern quarter of the watershed is found within Steep Wetter Moraine. This region includes the rapidly expanding suburban areas of the Twin Cities. Much of the land next to streams is very steep, with a large potential for sediment delivery to streams. Soil textures in this region range from sandy loam to loam, and landscapes are primarily well drained with a high water erosion potential.

Pre-settlement vegetation was comprised of a wide variety of tree and plant species, intermixed in a riparian/floodplain system. Upland vegetation typically ranged from wet prairie meadows to oak savanna to mixed stands of oak and maple. The area's lowlands consisted mainly of peat bogs interspersed with lakes. The seasonal flood regime of the Minnesota River was the dominant factor shaping the habitat of the region.

Major vegetation community types found within the study area include floodplain forest, upland forest, oak savanna and native prairie. The floodplain forests, which can flood in the spring or after a heavy rainfall, are dominated by water tolerant tree species such as silver maple, cottonwood and black willow. The upland forests consist of oak forest in well drained areas and maple-basswood forests in wetter sites such as ravines and moist terrace slopes. Existing oak savannas are primarily grazed pastures with scattered bur and northern pin oak trees. Remnant prairies, with a mix of warm season grasses and forbs, are generally found at sites along the river bluff (goat prairies) or are maintained on state and county park lands.

Fish, wildlife and plant communities of the Minnesota River basin have already been described in this EA. The Minnesota River drainage basin represents 19 percent of the land mass of Minnesota and is a key component of the Prairie Pothole Region which produces 20 percent of the continental population of waterfowl. The Minnesota Department of Natural Resources Natural Heritage and Nongame Program documents 31 occurrences of rare and unique plant and animal communities in the northern portion of the proposed study area (upstream to Le Sueur).

Several Minnesota State Parks and Recreational Areas and a few county and city parks are found along the river corridor within the study area. Fort Snelling State Park is located at the confluence of the Mississippi and Minnesota Rivers adjacent to the existing Refuge at Minneapolis. The Minnesota Valley Trail links Fort Snelling with units of the Refuge, a few waysides and other scattered public lands for nearly 50 river miles. Minneopa State Park is located about 5 miles upstream from Mankato. Flandrau State Park, at the confluence of the Big Cottonwood River, is near the western boundary of the study area.

#### Social and Economic Context

The seven-county Twin Cities Metropolitan Area serves as a major hub for agriculture, transportation, industry, finance, trade, and technology. Several renowned universities, including the University of Minnesota, make significant contributions to education, science, and medical research. The Guthrie Theater and the world-class Minneapolis Institute of Art reflect the local interest in the arts. The world famous Mall of America in Bloomington is located directly upstream from the refuge headquarters. Year-round outdoor recreation is very important to the citizens of the area and many enjoy activities such as boating, fishing, swimming, skating, skiing, and snowmobiling. These residents are concerned about the quality of their environment as reflected by the presence of over 30 environmental education and interpretive centers. Over the past decade, this vibrant economy has seen unprecedented growth which has lead to significant suburban sprawl. New or modernized infrastructure that support this growth includes roads, bridges, utilities, and airports. To a large degree, all of this places added developmental pressure on any remaining open space in this portion of Minnesota.

The landscape changes gradually as you travel up the Minnesota River Valley from the metro area. The valley stretches as a ribbon of green interrupted by small to medium-sized towns, villages and cities clinging to the river. Communities upriver from Chaska, including Le Sueur, Saint Peter and New Ulm are tied closely to the agricultural industry of the surrounding watershed. Primary agricultural products of the area include milk, soybeans, corn, and wheat. Mankato and North Mankato, adjacent cities with over 40,000 residents combined, have grown significantly in the past 20 years and include a diversified economy. Growth has occurred in several smaller cities as well including Jordan and Belle Plaine. Many residents of the lower part of the river valley commute to work in the Twin Cities metro area.

# IV. Environmental Consequences

#### **Initial and Annual Costs**

The primary funding source for land acquisition would be the Minnesota Valley National Wildlife Refuge Trust Fund (Airport Mitigation Fund). We estimate a boundary expansion up to 50,000 acres, the preferred alternative, would cost approximately \$50 million over the life of the mitigation fund (estimated at 15 years). Participation and contributions by other efforts within the Minnesota Valley, including pending state set-aside programs and U.S. Department of Agriculture's Wetland Reserve Program, would reduce this figure.

The annual costs for administration, operations and maintenance would be lower than establishing a new Refuge. A new visitor education center, established upriver as part of the MAC settlement, would likely double as a base for expanded refuge operations. One additional maintenance facility near the Mankato area would be necessary to store equipment for use on the west end of the refuge. Annual costs during the initial 5 year expansion phase-in period are estimated at \$475,000 and would cover habitat restorations, access development, equipment and maintenance.

#### **Land Selection Criteria**

Potential refuge units will be selected by a set of criteria based on the site's potential to provide habitat for migratory birds, threatened and endangered species, or rare plant communities. At this time, we have identified some general areas with high resource values and a few key parcels that could serve as "anchors" for new units (Figure 1). No boundaries have been drawn for potential refuge units. The sites were identified during the initial agency and public scoping for the Draft CCP. However, we would like to receive feedback from the public during review of this plan. The number and location of potential Refuge units will be identified in the Final CCP. These units will be selected based on a set of resource criteria. The highest priority areas will have one or all of the following characteristics:

- 1. Land adjacent to or linking permanently protected habitat.
- 2. Total size of floodplain or upland forest block created by acquisition over 250 acres.
- 4. Property contains an oak savanna block over 100 acres in size.
- 5. Existing native prairie over 50 acres in size.
- 6. Lands restorable to original, native prairie over 200 acres in size.
- 7. Areas containing threatened or endangered species, or rare or unique natural communities.
- 8. Areas with existing or restorable wetlands larger than 100 acres.

Figure 1 shows potential locations for new units of the Minnesota Valley National Wildlife Refuge. The following is a brief description of the general areas and key parcels identified in Figure 1.

- 1. Floodplain at Hwy 101 Bridge at Shakopee (Assumption Creek)
- 2. Rapids Lake / Long Lake Area
- 3. Bevins and Silver Creek Watersheds
- 4. Jordan Wet Meadows (Hwy 169)
- 5. Hallquist Lake Area
- 6. Forested Bluffs from Belle Plaine to Henderson (southside)
- 7. High Island and Buffalo Creek Watersheds
- 8. Floodplain from Blakeley to Henderson
- 9. Floodplain from Henderson to Le Sueur
- 10. Rush River Watershed
- 11. Floodplain from Le Sueur to Ottawa Wildlife Management Area
- 12. Bluff and Floodplain Sevenmile Creek to North Mankato (westside)
- 13. Blue Earth River downstream of Rapidan Dam
- 14. Bluff and Floodplain Minneopa State Park to Judson
- 15. Brown's Creek (Swan Lake outlet) juncture with the Minnesota River
- 16. Floodplain adjacent to City of New Ulm
- 17. Bluff and Floodplain New Ulm to Eightmile Creek (northside)

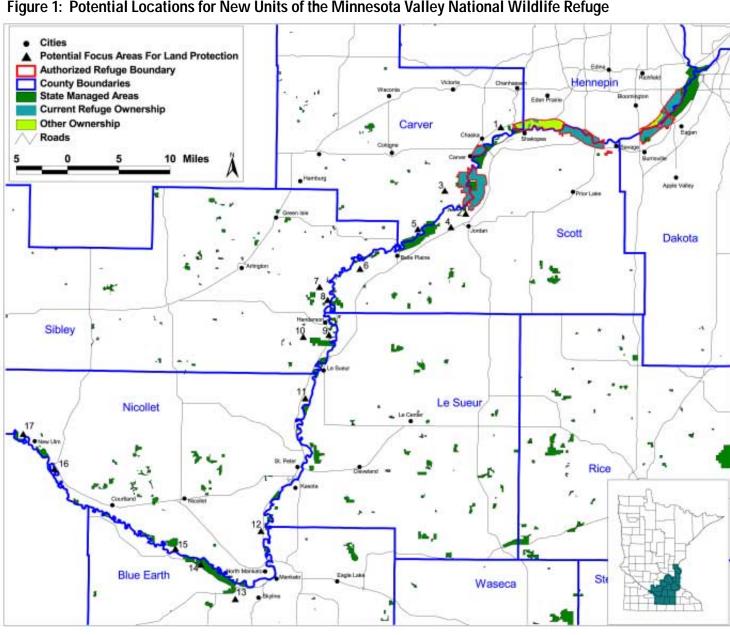


Figure 1: Potential Locations for New Units of the Minnesota Valley National Wildlife Refuge

#### **Environmental Consequences Related To The Socioeconomic Environment**

The following section examines potential effects on tax revenue and the local economy that may result from the acquisition, operation and maintenance of new Refuge units in the study area. Alternatives C and D include land acquisition for new units and this information applies in both cases. Alternatives A and B call for little or no future land acquisitions and we expect that the local economy and taxes will follow current trends.

#### Property Taxes

The Refuge Revenue Sharing Act of June 15, 1935, as amended, provides for annual payments to counties or the lowest unit of government that collects and distributes taxes based on acreage and value of National Wildlife Refuge lands located within the county. The funding for these payments comes from two sources: (1) net receipts from the sale of products from National Wildlife Refuge System lands (oil and gas leases, timber sales, grazing fees, etc.) and (2) annual Congressional appropriations.

Originally, counties received 25 percent of net revenues from the sale of various products or privileges from refuge lands located within the county. The result was that many counties received no payments as no revenue was generated from local refuge lands. The Refuge Revenue Sharing Act was amended in 1964 to provide for a payment of the greater of 25 percent of net receipts, \$0.75 per acre or 3/4 of 1 percent of the adjusted purchase price for all purchased land. In the state of Minnesota, 3/4 of 1 percent of the appraised value always brings the greatest return to the taxing bodies (townships and counties).

The Refuge Revenue Sharing Act was again amended in 1978 by Public Law 95-469. Important changes are: (1) Congress is authorized to appropriate funds to make up any shortfall in the revenue sharing fund; (2) all lands administered solely or primarily by the FWS (not just refuges) qualify for revenue sharing; and (3) payments to units of local government can be used for any governmental purpose.

The amount of a revenue sharing payment is directly tied to the appraised market value of a property. In some cases, annual payments to local governments exceed what the local tax, based on assessed value, would have been if the land was still in private ownership. In other cases, revenue sharing payments, and supplemental Congressional appropriations, fall short of the local assessed property tax revenue. Some members of Congress have recognized this fact and have taken steps to remedy the situation. The Conservation and Reinvestment Act (CARA) has been introduced in both houses of Congress. This bill contains a provision for full funding of the Refuge Revenue Sharing Act. The proposed source of funds would be federal offshore oil and gas lease revenues.

#### The Local Economy

The local economy can experience some changes during the formation of a new national wildlife refuge. In general, new refuge units would likely create increased spending in the area by visitors, reduced agricultural production comparable to the Conservation Reserve Program, and increased expenditures by the Service to build and maintain refuge facilities.

New refuge units would likely be developed over the course of twenty years or more. During that time, funds would be needed for engineering and construction of facilities.

Several hundred thousand dollars will be expended returning the lands to floodplain forest, native grasslands and wetlands. This money will be expended locally for items such as native grass seed, fuel and contracts with heavy equipment operators in the case of wetland restorations.

The Service estimates that federal purchases of land or conservation easements in the area under the preferred Alternative C could amount to more than \$50 million during the next 20 years. Economists generally view land transactions as having a neutral effect in a local economy. They suggest that proceeds of a land sale generally go back into real estate. However, it is reasonable to assume that some portion of the land acquisition dollars will be used by sellers to construct new homes, purchase new vehicles, etc.

In summary, the proposed expansion of the Refuge would likely have a small *net* effect on county-level economic activity and could generate considerable social benefits. The value of natural areas, such as wildlife refuges, to people and their quality of life is difficult to measure in conventional economic terms. National Wildlife Refuges enhance the regional, state and the nation's stock of natural assets and provide significantly, but less tangible, benefits to its citizens, including clean water, natural beauty and abundant wildlife, fish and plants. Nevertheless, the Service recognizes that potential changes in the local and regional economy are important considerations.

# **Environmental Consequences Related To Local Land Use including Land Acquisition, Cultural Resources, Refuge Management And Administration**

This section examines potential effects on landowners and local residents that may result from the acquisition, operation and maintenance of new units of a national wildlife refuge in the study area. Each of the alternatives, except no action, includes land acquisition and the need for future refuge administration. For this reason, we address all alternatives together within this section.

#### Landowner Rights Adjacent to Refuge Lands

The Service has no more authority over private land within or adjacent to the boundaries of the refuge than another other landowner. Landowners within a project boundary retain all of the rights, privileges, and responsibilities of private land ownership. The presence of refuge lands does not afford the Service **any** authority to impose restrictions on any private lands. Control of access, land use practices, water management practices, hunting, fishing, and any other general use is limited to those lands in which the Service has acquired an appropriate real estate interest or rights.

Owning land adjacent to Service land does not change any of the regulations that currently apply and does not impose any new regulations on the land. Regulations pertaining to pesticides, drainage, pollution, hunting, fishing, trapping, etc., on private land are managed and enforced by other local, state or Federal agencies. The Service abides by these regulations the same as any other landowner. In addition, land managed by the Service will be posted in order to avoid trespass on private land by refuge visitors.

#### Service Land Acquisition Policies

Service policy is to buy land only from willing sellers. Service policy is that there would be no rights of landowners or citizens transferred without the willing participation of the

individual(s) owning land or rights to the land, including appropriate just-compensation for those rights. The Service is required to make purchase offers based on fair market value; matching the price of comparable land in the same area.

It is also Service policy to seek the least amount of land ownership necessary to meet resource protection goals. Fee acquisition is only one option available to the landowner and the Service. Conservation easements, cooperative agreements and other options may meet conservation objectives in some locations.

#### **Relocation Policies**

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Uniform Act) provides for certain relocation benefits to home owners, businesses, and farm operators who, as willing sellers, are displaced as a result of Federal acquisition. The law provides for benefits to eligible owners and tenants in the following areas:

- Reimbursement of reasonable moving and related expenses;
- Replacement housing payments under certain conditions;
- Relocation assistance services to help locate replacement housing, farm, or business properties;
- Reimbursement of certain necessary and reasonable expenses incurred in selling real property to the government.

#### **Cultural Resources**

Establishment of new refuge units and subsequent land acquisition generally will have no effect on archeological resources. Traditional cultural properties and sacred sites of concern to Indian tribes and other ethnic and cultural groups receive increased protection to the extent the Service can obtain information about them. However, in some cases buildings and other structures may not receive increased attention under Service versus private ownership. The high cost of maintaining and preserving some buildings may prohibit acquisition or future use of some building sites. But overall, cultural resources receive increased protection from loss because of the several Federal laws that apply to property owned and administered by the Federal government.

#### Effects on Current Drainage Patterns

Wetland restorations conducted by the Service would not cause any artificial increase of the natural level, width, or flow of waters without ensuring that the impact would be limited to lands in which the Service has acquired an appropriate real estate interest from a willing seller, e.g., fee title ownership, flowage easement or cooperative agreement. Thus, all alternatives would not have any impact on existing drainage from neighboring lands. If Service activities inadvertently created a water-related problem for any private landowner (flooding, soil saturation or deleterious increases in water table height, etc.), the problem would be corrected at the Service's expense.

#### Refuge Administration

Any acquired lands would become part of the National Wildlife Refuge System. The annual costs for administration, operations and maintenance would be lower than establishing a new refuge. Alternatives A, B & C call for a new visitor education center or individual classroom modules on Refuge units. One additional maintenance facility near the Mankato area may be necessary to store equipment for use on the west end of the

refuge. Development and operation costs will ultimately depend upon the amount of land purchased in fee and easement, habitat restoration requirements, and the rate of development for the Minnesota Valley State Trail.

#### Public Recreational Use

The Refuge Improvement Act of 1997 identifies six priority uses: hunting, fishing, wildlife observation, photography, environmental education, and interpretation as wildlife-dependent recreational activities. These uses are encouraged on refuges when they are compatible with the purposes of the refuge. Currently, we anticipate that all six priority uses will be allowed on new units of the Refuge and District where it is feasible and safe.